

## APPENDIX A

## List of Commenters

<b><u>Commenters:</u></b>	<b><u>Abbreviation</u></b>
ACN Communications Services, Inc. ATX Communications Inc. Bullseye Telecom, Inc. Cavalier Telephone Mid-Atlantic, LLC CIMCO Communications, Inc. CTC Communications Corp. Gillette Global Network, Inc., d/b/a Eureka Networks Granite Telecommunications, LLC Lightship Communications, LLC Lightyear Network Solutions, LLC PAC-WEST Telecom, Inc. RCN Telecom Services Inc. USLEC Corporation U.S. TelePacific Corp. d/b/a TelePacific Communications	ACN <i>et al.</i>
Ad Hoc Telecom Manufacturer Coalition	Ad Hoc Telecom Manufacturers
Alliance for Public Technology	APT
American Antitrust Institute	AAI
Communications Workers of America	CWA
Cox Communications, Inc.	Cox
Global Crossing North America, Inc.	Global Crossing
Independent Alliance	Independent Alliance
Missouri Public Service Commission	Missouri Commission
New Jersey Board of Public Utilities	New Jersey BPU
New Jersey Division of the Ratepayer Advocate	New Jersey Ratepayer Advocate
National Association of State Utility Consumer Advocates	NASUCA
Nevada Department of Justice, Office of the Attorney General, Bureau of Consumer Protection	Nevada BCP
Progress and Freedom Foundation	PFF
Small Business and Entrepreneurship Council	SBE
State of Alaska	Alaska
Telecommunications Consultants Coalition	Telecom Consultants
Telscape Communications, Inc.	Telscape
Texas Office of Public Utility Counsel	Texas OPC
United States Cellular Corporation	United States Cellular
Vonage Holdings Corp.	Vonage
WilTel Communications, LLC	WilTel
Women Impacting Public Policy	WIPP

<b>Petitioners:</b>	<b>Abbreviation</b>
American Public Communications Council	APCC
Broadwing Communications LLC and SAVVIS Communications, Inc.	Broadwing and SAVVIS
Cbeyond Communications Conversent Communications Eschelon Communications NuVox Communications TDS Metrocom XO Communications Xspedius Communications	Cbeyond <i>et al.</i>
CompTel/ALTS	CompTel/ALTS
Consumer Federation of America Consumers Union Public Research Group	Consumer Federation <i>et al.</i>
EarthLink, Inc.	EarthLink
Qwest Communications International Inc.	Qwest

<b>Reply Commenters:</b>	<b>Abbreviation</b>
ACN Communications Services, Inc. ATX Communications Inc. Bullseye Telecom, Inc. Cavalier Telephone Mid-Atlantic, LLC CIMCO Communications, Inc. CTC Communications Corp. Gillette Global Network, Inc., d/b/a Eureka Networks Granite Telecommunications, LLC Lightship Communications, LLC Lightyear Network Solutions, LLC McLeod USA Telecommunications Services, Inc. PAC-WEST Telecom, Inc. RCN Telecom Services Inc. USLEC Corporation U.S. TelePacific Corp. d/b/a TelePacific Communications	ACN <i>et al.</i>
Ad Hoc Telecommunications Users Committee	Ad Hoc Telecom Users
American Public Communications Council	APCC
BT Americas Inc. and BT Infonet USA	BT Americas
California Small Business Association and California Small Business Roundtable	CSBA
Competitive Enterprise Institute	CEI
CompTel/ALTS	CompTel/ALTS
Cox Communications, Inc.	Cox
EarthLink, Inc.	EarthLink
Missouri Office of the Public Counsel	Missouri OPC
National Association of State Utility Consumer Advocates	NASUCA

<b>Reply Commenters:</b>	<b>Abbreviation</b>
New Jersey Division of the Ratepayer Advocate	New Jersey Ratepayer Advocate
National Telecommunications Cooperative Association	NTCA
Qwest Communications International Inc.	Qwest
SBC Communications Inc. and AT&T Corp.	SBC/AT&T
Small Business and Entrepreneurship Council	SBE
Telecommunications Consultants Coalition	Telecom Consultants Coalition
Telecommunications Consumers' Coalition	Telecom Consumers' Coalition
TeleTruth	TeleTruth
T-Mobile USA, Inc.	T-Mobile



## APPENDIX B

**List of AT&T Licenses and Authorizations  
Subject to Transfer of Control**

***Domestic Section 214 Authority******AT&T Affiliates and Subsidiaries Holding Domestic 214 Authority***

AT&T Interstate Division  
 AT&T Communications of Illinois, Inc.  
 AT&T Communications of Indiana, Inc. (now AT&T Communications of Indiana, GP)  
 AT&T Communications of Michigan, Inc.  
 AT&T Communications of Ohio, Inc.  
 AT&T Communications of Wisconsin, Inc. (now AT&T Communications of Wisconsin I, LP )  
 AT&T Communications of New England, Inc.  
 AT&T Communications of New York, Inc.  
 AT&T Communications of Washington D.C., Inc. (now AT&T Communications of Washington D.C., LLC)  
 AT&T Communications of Delaware, Inc. (now AT&T Communications of Delaware, LLC)  
 AT&T Communications of Maryland, Inc. (now AT&T Communications of Maryland, LLC)  
 AT&T Communications of New Jersey, Inc. (now AT&T Communications of NJ, LP)  
 AT&T Communications of Pennsylvania, Inc. (now AT&T Communications of Pennsylvania, LLC)  
 AT&T Communications of Virginia, Inc. (now AT&T Communications of Virginia, LLC)  
 AT&T Communications of West Virginia, Inc.  
 AT&T Communications of The Midwest, Inc.  
 AT&T Communications of the Southwest, Inc.  
 AT&T Communications of The Southern States, Inc. (now AT&T Communications of The Southern States, LLC)  
 AT&T Communications of The South Central States, Inc. (now AT&T Communications of The South Central States, LLC)  
 AT&T Communications of California, Inc.  
 AT&T Communications of The Mountain States, Inc.  
 AT&T Communications of Nevada, Inc.  
 AT&T Communications of Pacific Northwest, Inc.  
 AT&T Communications of Puerto Rico, Inc. and  
 AT&T Communications of The Virgin Islands, Inc.

***International Section 214 Authorizations***

<u>File No.</u>	<u>Authorization Holder</u>	<u>Authorization Number</u>
ITC-T/C-20050224-00072	AT&T Corp.	ITC-214-19980209-00085 <i>et al.</i>
ITC-T/C-20050224-00071	Alascom, Inc.	ITC-214-1997-0421-00221 <i>et al.</i>
ITC-T/C-20050224-00073	TCG America, Inc.	ITC-214-1997-0814-00493 <i>et al.</i>
ITC-T/C-20050222-00079	TCG Delaware Valley, Inc.	ITC-90-003 <i>et al.</i>
ITC-T/C-20050222-00080	AT&T of the Virgin Islands, Inc.	ITC-89-060 <i>et al.</i>
ITC-T/C-20050222-00081	AT&T of Puerto Rico, Inc.	ITC-91-034 <i>et al.</i>
ITC-T/C-20050222-00082	TC Systems, Inc.	ITC-96-002 <i>et al.</i>
ITC-T/C-20050222-00083	ACC National Long Distance Corp.	ITC-93-131 <i>et al.</i>

***Cable Landing Licenses***

<u>File No.</u>	<u>Authorization Holder</u>	<u>Authorization Number</u>
SCL-T/C-20050222-00002	AT&T Corp.	SCL-87-004 <i>et al.</i>

***International Public Fixed License Application***

<u>File No.</u>	<u>Licensee</u>	<u>Lead Call Sign</u>
SES-T/C-20050224-00233	AT&T of the Virgin Islands, Inc.	WBH79

***Satellite Earth Station Authorization Applications***

<u>File No.</u>	<u>Licensee</u>	<u>Lead Call Sign</u>
SES-T/C-20050224-00230 <sup>565</sup>	AT&T Corp.	E000037
SES-T/C-20050224-00231 <sup>566</sup>	AT&T Corp.	E930445
SES-T/C-20050224-00232 <sup>567</sup>	Alascom, Inc.	E000650

***Satellite Space Station Authorization Applications***

<u>File No.</u>	<u>Licensee</u>	<u>Call Sign</u>
SES-T/C-20050929-00187 <sup>568</sup>	Alascom, Inc.	S2379

<sup>565</sup> See Letter from Mark D. Schneider, Counsel for AT&T, to Marlene H. Dortch, Secretary, FCC (filed Sept. 29, 2005) (updating File Nos. SES-T/C-20050224-00230 and SES-T/C-20050224-00231 to indicate relinquished or assigned earth stations (to be deleted) and new applications pending (to be added)).

<sup>566</sup> *Id.*

<sup>567</sup> See Letter from Mark D. Schneider, Counsel for AT&T, to Marlene H. Dortch, Secretary, FCC (filed Sept. 29, 2005) (updating File No. SES-T/C-20050224-00232 to indicate relinquished or assigned earth stations (to be deleted) and new applications pending (to be added)).

<sup>568</sup> Because the Commission's IBFS database shows that this space station license is issued to SES Americom, Inc., and does not reflect that the license is jointly licensed to SES Americom, Inc. & Alascom, Inc., the Applicants inadvertently omitted this authorization from the initial transaction filing. *Id.* The Applicants also state that SES Americom, Inc. has no objection to this transfer of control filing and the processing of this application by the Commission. *Id.* We will include this application as under the Applicants' request in its initial filing to "include any authorizations that may have been inadvertently omitted." SBC/AT&T Application at 118.

***Wireless Radio Services Applications***

<u>File No.</u>	<u>Licensee</u>	<u>Lead Call Sign</u>
0002052427 <sup>569</sup>	AT&T Corp.	KAC58
0002052535 <sup>570</sup>	Alascom, Inc.	KBK7
0002052424	AT&T of the Virgin Islands, Inc.	WLK648
0002052409	AT&T Communications of California, Inc.	KMJ96
0002052528	AT&T Communications of Illinois, Inc.	KSF30
0002052521	AT&T Communications of Maryland, Inc.	WAD25
0002052513	AT&T Communications of Michigan, Inc.	KQI61
0002052481	AT&T Communications of Pennsylvania, Inc.	WCG308
0002052471	AT&T Communications of the Midwest, Inc.	KAS91
0002052450	AT&T Communications of the Mountain States, Inc.	KAN28
0002052440	AT&T Communications of the Pacific Northwest, Inc.	WHR380
0002052418	AT&T Communications of the South Central States, Inc.	KIV64
0002052444	AT&T Communications of the Southern States, Inc.	KIA47
0002052419	AT&T Communications of the Southwest, Inc.	KPP57
0002052399	AT&T Communications of Virginia, Inc.	KIA30
0002052431	AT&T Communications of West Virginia, Inc.	KXR62
0002052438	AT&T Communications of Wisconsin, Inc.	WHO319
0002051267	Biztel, Inc. c/o AT&T Corp.	WMT548

<sup>569</sup> See Letter from Mark D. Schneider, Counsel for AT&T, to Marlene H. Dortch, Secretary, FCC (filed Sept. 29, 2005) (updating File No. 0002052427 to indicate relinquished or assigned licenses (to be deleted) and new applications pending (to be added)).

<sup>570</sup> See Letter from Mark D. Schneider, Counsel for AT&T, to Marlene H. Dortch, Secretary, FCC (filed Sept. 29, 2005) (updating File No. 0002052535 to indicate relinquished or assigned licenses (to be deleted) and new applications pending (to be added)).

***Experimental Radio Service Applications***

<u>File No.</u>	<u>Licensee</u>	<u>Call Signs</u>
0012-EX-TU-2005 <sup>571</sup>	AT&T Corp.	WD2XDQ WD2XPJ WD2XSL

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<sup>571</sup> See Letter from Mark D. Schneider, Counsel for AT&T, to Marlene H. Dortch, Secretary, FCC (filed Sept. 29, 2005) (updating File No. 0012-EX-TU-2005 to indicate relinquished licenses (to be deleted) and new applications pending (to be added)).



## Enterprise Data

### 2004 LOCAL VOICE REVENUE (% SHARE) – MEDIUM/LARGE ENTERPRISE CUSTOMERS

[REDACTED]

**APPENDIX C (CONTINUED)**[illegible]

**APPENDIX C (CONTINUED)**[illegible]

## APPENDIX C (CONTINUED)

TABLE 3* (CONTINUED)													
2004 HIGH CAP SERVICE REVENUE (% SHARE) – MEDIUM/LARGE ENTERPRISE CUSTOMERS													
	All SBC States	Midwest					West	Southwest					East
		IL	IN	MI	OH	WI	CA	AR	KS	MO	OK	TX	CT
Post-merger (SBC+AT&T) market share		[REDACTED]											
Median Post-merger (SBC+AT&T) market share													
Pre-merger HHI													
Median Pre-merger HHI													
Post-merger HHI													
Median Post-merger HHI													
Delta													
*See supra note 200 (citing source of SBC/AT&T medium and large enterprise data).													

**APPENDIX C (CONTINUED)**[illegible]

## APPENDIX C (CONTINUED)

TABLE 5*														
2004 LOCAL ACCESS CUSTOMER SHARES - SMALL ENTERPRISE CUSTOMERS														
	All SBC States	Midwest					West		Southwest					East
		IL	IN	MI	OH	WI	CA	NV	AR	KS	MO	OK	TX	CT
Pre-merger SBC market share (%)	[REDACTED]													
Median pre-merger SBC market share (%)														
Post-merger (SBC+AT&T) market share (%)														
Median Post-merger (SBC+AT&T) market share (%)														
Carriers identified in the survey as serving customers in the states														
Pre-merger HHI														
Median Pre-merger HHI														
Post-merger HHI														
Median Post-merger HHI														
Delta														

\*Given the volume of small enterprise data filed by SBC/AT&T, we do not repeat that data here. See *supra* note 209 (citing source of SBC/AT&T small enterprise data).

TABLE 6*														
2004 LONG DISTANCE VOICE CUSTOMER SHARES - SMALL ENTERPRISE CUSTOMERS														
	All SBC States	Midwest					West		Southwest					East
		IL	IN	MI	OH	WI	CA	NV	AR	KS	MO	OK	TX	CT
Pre-merger SBC market share (%)	[REDACTED]													
Median pre-merger SBC market share (%)														
Post-merger (SBC+AT&T) market share (%)														
Median Post-merger (SBC+AT&T) market share (%)														
Carriers identified in the survey as serving customers in the states														
Pre-merger HHI														
Median Pre-merger HHI														
Post-merger HHI														
Median Post-merger HHI														
Delta														

\*Given the volume of small enterprise data filed by SBC/AT&T, we do not repeat that data here. See *supra* note 209 (citing source of SBC/AT&T small enterprise data).

## APPENDIX C (CONTINUED)

TABLE 7*														
2004 INTERNET CUSTOMER SHARES - SMALL ENTERPRISE CUSTOMERS														
	All SBC States	Midwest					West		Southwest					East
		IL	IN	MI	OH	WI	CA	NV	AR	KS	MO	OK	TX	CT
Pre-merger SBC market share (%)	[REDACTED]													
Median pre-merger SBC market share (%)														
Post-merger (SBC+AT&T) market share (%)														
Median Post-merger (SBC+AT&T) market share (%)														
Carriers identified in the survey as serving customers in the states														
Pre-merger HHI														
Median Pre-merger HHI														
Post-merger HHI														
Median Post-merger HHI														
Delta														

\*Given the volume of small enterprise data filed by SBC/AT&T, we do not repeat that data here. See *supra* note 209 (citing source of SBC/AT&T small enterprise data).

## APPENDIX C (CONTINUED)

TABLE 8*	
2004 LONG DISTANCE VOICE NATIONAL REVENUE (% SHARE) - ENTERPRISE CUSTOMERS WITH OPERATIONS BOTH INSIDE AND OUTSIDE THE SBC REGION	
Carrier:	Share
	[REDACTED]
Post-Merger SBC+AT&T Share	[REDACTED]
Pre-Merger HHI	
Post-Merger HHI	
Delta	

\*See *supra* note 215 (citing source of SBC/AT&T national enterprise data).

TABLE 9*	
2004 LONG DISTANCE DATA NATIONAL REVENUE (% SHARE) - ENTERPRISE CUSTOMERS WITH OPERATIONS BOTH INSIDE AND OUTSIDE THE SBC REGION	
Carrier:	Share
	[REDACTED]
Post-Merger SBC+AT&T Share	[REDACTED]
Pre-Merger HHI	
Post-Merger HHI	
Delta	

\*See *supra* note 215 (citing source of SBC/AT&T national enterprise data).



## APPENDIX D

## Mass Market Data (% Share)

	Local Services*		Long Distance Services*		Local and Long Distance Bundle*	
	SBC Pre-Merger	SBC Post-Merger	SBC Pre-Merger	SBC Post-Merger	SBC Pre-Merger	SBC Post-Merger
AR	[REDACTED]					
CA						
CT						
IL						
IN						
KS						
MI						
MO						
NV						
OH						
OK						
TX						
WI						
Minimum						
Maximum						
Median						
* See <i>supra</i> para. 102 and accompanying footnotes for the underlying assumptions. Data as of March 2005. Sources: SBC Info. Req., Exhs. 16(a)(1), 16(a)(2), 16(a)(4), 16(b)(1&4); Letter from Lawrence J. Lafaro, AT&T, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 05-65, Attach. (June 13, 2005) <i>in</i> Letter from Nirali Patel, Counsel for AT&T, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 05-65 (filed July 21, 2005) (Exh. 16(b)(iv) Revised, Exh. SALD Customer Base by RBOC); Numbering Resource Utilization / Forecast (NRUF) database.						

## APPENDIX E

## Internet Backbone Data

Table 1: Market Shares and HHIs of Tier 1 Backbone Providers\*

Table 1: Market Shares and HHI of Tier 1 Backbone Providers				
Tier 1 Provider	Pre-merger Revenue (\$M)	% Share (pre-merger)	Post-merger Revenue (\$M)	% Share (post-merger)
	[REDACTED]			
Pre-merger HHI				
Post-merger HHI				
Change in HHI				
*Market shares are calculated from reported revenues for dedicated Internet access and wholesale upstream transit. Letter from Thomas F. Hughes, Vice President-Federal Regulatory, SBC, to Gary Remondino, Wireline Competition Bureau, FCC, WC Docket No. 05-65, Attach. (filed July 22, 2005) (providing DIA revenues and upstream transit revenues). We note that the post-merger share for MCI is calculated based on the assumption that the parallel pending merger of Verizon and MCI will be consummated. In addition, the post-merger revenue shares of Sprint, Level 3, and Qwest were adjusted based on available data regarding transit revenues previously paid to those IBPs by SBC and Verizon. See SBC Info. Req. at 97 (2004 transit payments); Letter from Dee May, Vice President – Federal Regulatory, Verizon, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 05-65, Attach. (filed Oct. 13, 2005).				

Table 2: AT&amp;T Pre-Merger Traffic Ratios\*\*

Table 2: AT&T Peer Merger Traffic Ratios						
AT&T Peer	1/2/2004 Ratio	4/2/2004 Ratio	7/2/2004 Ratio	10/1/2004 Ratio	1/1/2005 Ratio	4/2/2005 Ratio
	[REDACTED]					
** AT&T submitted traffic flows with its peers for each quarter from January 2004 to April 2005. SBC/AT&T Martens Reply Decl., Exh. I. The Applicants then calculated the corresponding quarterly traffic ratios for April 2004 to April 2005. SBC/AT&T Martens Reply Decl., Exh. II.						

## APPENDIX F

### Conditions

The Applicants have offered certain voluntary commitments, enumerated below. Because we find these commitments will serve the public interest, we accept them and adopt them as Conditions of our approval of the merger. *Unless otherwise specified herein, the Conditions described herein shall become effective 10 business days after the Merger Closing Date. The Conditions described herein shall be null and void if SBC and AT&T do not merge and there is no Merger Closing Date.*

It is not the intent of these Conditions to restrict, supersede, or otherwise alter state or local jurisdiction under the Communications Act of 1934, as amended, or over the matters addressed in these Conditions, or to limit state authority to adopt rules, regulations, performance monitoring programs, or other policies that are not inconsistent with these Conditions.

The term "SBC/AT&T" as used in this letter refers to SBC Communications Inc. and all of its affiliates whose financial results on the day following the Merger Closing Date would be included as consolidated subsidiaries in SBC's consolidated financial statements as required by U.S. generally accepted accounting principles.

For the purposes of these Conditions, the term "Merger Closing Date" means the day on which, pursuant to their Merger Agreement, SBC and AT&T cause a Certificate of Merger to be executed, acknowledged, and filed with the Secretary of State of New York as provided in New York Corporation Law.

#### Unbundled Network Elements

1. For a period of two years, beginning on the Merger Closing Date, SBC/AT&T shall not seek any increase in state-approved rates for unbundled network elements ("UNEs") that are currently in effect, provided that this restriction shall not apply to the extent any UNE rate currently in effect is subsequently deemed invalid or is remanded to a state commission by a court of competent jurisdiction in connection with an appeal that is currently pending (*i.e.*, for appeals of state commission decisions in Illinois, Indiana and Texas). In the event of a UNE rate increase in Illinois, Indiana or Texas during the two year period, following a court decision invalidating or remanding a UNE rate, SBC/AT&T may implement that UNE rate increase but shall not seek any further increase in UNE rates in that state during the two-year period. This condition shall not limit the ability of SBC/AT&T and any telecommunications carrier to agree voluntarily to any UNE rate nor does it supersede any current agreement on UNE rates.
2. Within thirty days after the Merger Closing Date, SBC/AT&T shall exclude fiber-based collocation arrangements established by AT&T or its affiliates in identifying wire centers in which SBC claims there is no impairment pursuant to section 51.319(a) and (e) of the Commission's rules. SBC/AT&T shall file with the Commission, within thirty days of the Merger Closing Date, revised data or lists that reflect the exclusion of AT&T collocation arrangements, as required by this condition.



Special Access

1. SBC/AT&T affiliates that meet the definition of a Bell operating company in section 3(4)(A) of the Act ("SBC BOCs")<sup>572</sup> will implement, in the SBC Service Area,<sup>573</sup> the Service Quality Measurement Plan for Interstate Special Access Services ("the Plan"), as described herein and in Attachment A. The SBC BOCs shall provide the Commission with performance measurement results on a quarterly basis, which shall consist of data collected according to the performance measurements listed in Attachment A. Such reports shall be provided in an Excel spreadsheet format and shall be designed to demonstrate the SBC BOCs' monthly performance in delivering interstate special access services within each of the states in the SBC Service Area. These data shall be reported on an aggregated basis for interstate special access services delivered to (i) SBC/AT&T's section 272 affiliates, (ii) its BOC and other affiliates, and (iii) non-affiliates.<sup>574</sup> The SBC BOCs shall provide performance measurement results (broken down on a monthly basis) for each quarter to the Commission by the 45<sup>th</sup> day after the end of the quarter. The SBC BOCs shall implement the Plan for the first full quarter following the Merger Closing Date. This condition shall terminate on the earlier of (i) thirty months and 45 days after the beginning of the first full quarter following the Merger Closing Date (that is, when SBC/AT&T file their 10<sup>th</sup> quarterly report); or (ii) the effective date of a Commission order adopting performance measurement requirements for interstate special access services.
2. For a period of thirty months after the Merger Closing Date, SBC/AT&T shall not increase the rates paid by existing customers (as of the Merger Closing Date) of the DS1 and DS3 local private line services that AT&T provides in SBC's in-region territory<sup>575</sup> pursuant, or referenced, to its TCG FCC Tariff No. 2 above their level as of the Merger Closing Date.
3. For a period of thirty months after the Merger Closing Date, SBC/AT&T will not provide special access offerings to its wireline affiliates that are not available to other similarly situated special access customers on the same terms and conditions.
4. To ensure that SBC/AT&T may not provide special access offerings to its affiliates that are not available to other special access customers, for a period of thirty months after the Merger Closing Date, before SBC/AT&T provides a new or modified contract tariffed service under section 69.727(a) of the Commission's rules to its own section 272(a) affiliate(s), it will certify to the Commission that it provides service pursuant to that contract tariff to an unaffiliated customer other than Verizon Communications Inc., or its wireline affiliates.

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<sup>572</sup> For purposes of these conditions, SBC Advanced Services, Inc. ("ASI") shall not be considered an SBC BOC.

<sup>573</sup> For purposes of this condition, "SBC Service Area" means the areas within SBC's service territory in which SBC's Bell Operating Company subsidiaries, as defined in 47 U.S.C. § 153(4)(A), are incumbent local exchange carriers.

<sup>574</sup> BOC data shall not include retail data.

<sup>575</sup> For purposes of these conditions, SBC's "in-region territory" means the areas within SBC's service territory in which an SBC operating company is the incumbent local exchange carrier, as defined in 47 U.S.C. § 251(h)(1)(A) and (B)(i).

SBC/AT&T also will not unreasonably discriminate in favor of its affiliates in establishing the terms and conditions for grooming special access facilities.

5. SBC/AT&T shall not increase the rates in SBC's interstate tariffs, including contract tariffs, for special access services that SBC provides in its in-region territory and that are set forth in tariffs on file at the Commission on the Merger Closing Date. This condition shall terminate thirty months from the Merger Closing Date.

#### Internet Backbone

1. For a period of three years after the Merger Closing Date, SBC/AT&T will maintain at least as many settlement-free U.S. peering arrangements for Internet backbone services with domestic operating entities as they did in combination on the Merger Closing Date. SBC/AT&T may waive terms of its published peering policy to the extent necessary to maintain the number of peering arrangements required by this condition.
2. Within thirty days of the Merger Closing Date, and continuing for two years thereafter, SBC/AT&T will post its peering policy on a publicly accessible website. During this two-year period, SBC/AT&T will post any revisions to its peering policy on a timely basis as they occur.

#### Alaska

1. SBC/AT&T acknowledges that the merger does not change carrier of last resort obligations imposed by the State of Alaska on interexchange services provided by Alascom.
2. SBC/AT&T acknowledges that the merger will not alter statutory and regulatory geographic rate averaging and rate integration rules that apply on the Merger Closing Date to Alascom.
3. SBC/AT&T agrees that, for a period of at least two years after the Merger Closing Date, they will operate Alascom as a distinct, though not structurally separate, corporate entity.

#### ADSL Service

1. Within twelve months of the Merger Closing Date, SBC/AT&T will deploy and offer within its in-region territory ADSL service to ADSL-capable customers without requiring such customers to also purchase circuit switched voice grade telephone service. SBC/AT&T will continue to offer this service in each state for two years after the "implementation date" in that state. For purposes of this condition, the "implementation date" for a state shall be the date on which SBC/AT&T can offer this service to eighty percent of the ADSL-capable premises in SBC's in-region territory in that state.<sup>576</sup> Within twenty days after meeting the implementation date in a state, SBC/AT&T will file a letter with the Commission certifying to that effect. In any event, this commitment will terminate no later than three years from the Merger Closing Date.

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<sup>576</sup> After meeting the implementation date in each state, SBC/AT&T will continue deployment so that it can offer the service to all ADSL-capable premises in its in-region territory within twelve months of the Merger Closing Date.

Net Neutrality

1. Effective on the Merger Closing Date, and continuing for two years thereafter, SBC/AT&T will conduct business in a manner that comports with the principles set forth in the FCC's Policy Statement, issued September 23, 2005 (FCC 05-151).

Annual Certification

1. For three years following the Merger Closing Date, SBC/AT&T shall file annually a declaration by an officer of the corporation attesting that SBC/AT&T has substantially complied with the terms of these conditions in all material respects. The first declaration shall be filed 45 days following the one-year anniversary of the Merger Closing Date, the second and third declaration shall be filed one and two years thereafter respectively.

Sunset

1. For the avoidance of doubt, unless otherwise expressly stated to the contrary above, all conditions and commitments contained in this letter shall end on the second anniversary of the Merger Closing Date.





**Conditions  
Attachment A**

**Service Quality Measurement Plan  
For Interstate Special Access**

**Contents**

**Section 1: Ordering**

FOCT: Firm Order Confirmation (FOC) Timeliness

**Section 2: Provisioning**

PIAM: Percent Installation Appointments Met

NITR: New Installation Trouble Report Rate

**Section 3: Maintenance and Repair**

CTRR: Failure Rate/Trouble Report Rate

MAD: Average Repair Interval/Mean Time to Restore

**Section 4: Glossary**

## Section 1: Ordering

### FOCT: Firm Order Confirmation (FOC) Timeliness

#### **Definition**

Firm Order Confirmation (FOC) Timeliness measures the percentage of FOCs returned within the Company-specified standard interval.

#### **Exclusions**

- Service requests identified as “Projects” or “ICBs”
- Service requests cancelled by the originator
- Weekends and designated holidays of the service center
- Unsolicited FOCs
- Administrative or test service requests
- Service requests that indicate that no confirmation/response should be sent
- Other exclusions as defined by each RBOC to reflect system and operational differences

#### **Business Rules**

Counts are based on the first instance of a FOC being sent in response to an ASR. Activity starting on a weekend or holiday will reflect a start date of the next business day. Activity ending on a weekend or holiday will be calculated with an end date of the last previous business day. Requests received after the company’s stated cutoff time will be counted as a “zero” day interval if the FOC is sent by close of business on the next business day. The standard interval will be that which is specified in the company-specific ordering guide.

#### **Calculation**

**Firm Order Confirmation (FOC) Interval = (a - b)**

- a = Date and time FOC is returned
- b = Date and time valid access service request is received

**Percent within Standard Interval = (c / d) X 100**

- c = Number of service requests confirmed within the designated interval
- d = Total number of service requests confirmed in the reporting period

#### **Report Structure**

- Non-Affiliates Aggregate
- RBOC Affiliates Aggregate
  - RBOC 272 Affiliates Aggregate

#### **Geographic Scope**

- State

#### **SQM Disaggregation (Percent FOCs returned within Standard Interval)**

- Special Access – DS0
- Special Access – DS1
- Special Access – DS3 and above

## Section 2: Provisioning

### PIAM: Percent Installation Appointments Met

#### Definition

Percent Installation Appointments Met measures the percentage of installations completed on or before the confirmed due date.

#### Exclusions

- Orders issued and subsequently cancelled
- Orders associated with internal or administrative (including test) activities
- Disconnect Orders
- Other exclusions as defined by each RBOC to reflect system and operational differences

#### Business Rules

This measurement is calculated by dividing the number of service orders completed during the reporting period, on or before the confirmed due date, by the total number of orders completed during the same reporting period. Installation appointments missed because of customer caused reasons shall be counted as met and included in both the numerator and denominator. Where there are multiple missed appointment codes, each RBOC will determine whether an order is considered missed.

#### Calculation

**Percent Installation Appointments Met** =  $(a / b) \times 100$

- a = Number of orders completed on or before the RBOC confirmed due date during the reporting period
- b = Total number of orders where completion has been confirmed during the reporting period

#### Report Structure

- Non-Affiliates Aggregate
- RBOC Affiliates Aggregate
  - RBOC 272 Affiliates Aggregate

#### Geographic Scope

- State

#### SQM Disaggregation

- Special Access – DS0
- Special Access – DS1
- Special Access – DS3 and above

**NITR: New Installation Trouble Report Rate****Definition**

New Installation Trouble Report Rate measures the percentage of circuits or orders where a trouble was found in RBOC facilities or equipment within thirty days of order completion.

**Exclusions**

- Trouble tickets issued and subsequently cancelled
- Customer Provided Equipment (CPE) or customer caused troubles
- Troubles closed by the technician to disposition codes of IEC (Inter-exchange Carrier) or INF (Information)
- RBOC troubles associated with administrative service
- No Trouble Found (NTF) and Test OK (TOK)
- Other exclusions defined by each RBOC to reflect system and operational differences
- Subsequent trouble reports

**Business Rules**

Only the first customer direct trouble report received within thirty calendar days of a completed service order is counted in this measure. Only customer direct trouble reports that required the RBOC to repair a portion of the RBOC network will be counted in this measure. The RBOC completion date is when the RBOC completes installation of the circuit or order.

**Calculation**

**Trouble Report Rate within 30 Calendar Days of Installation** =  $(a / b) \times 100$

- a = Count of circuits/orders with trouble reports within 30 calendar days of installation
- b = Total number of circuits/orders installed in the reporting period

**Report Structure**

- Non-Affiliates Aggregate
- RBOC Affiliates Aggregate
  - RBOC 272 Affiliates Aggregate

**Geographic Scope**

- State

**SQM Disaggregation**

- Special Access – DS0
- Special Access – DS1
- Special Access – DS3 and above